

VZCZCXRO3873

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DE RUEHAA #0988 2160518

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FM AMEMBASSY ASHGABAT

TO RUEHC/SECSTATE WASHDC PRIORITY 3243

INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE

RUCNCIS/CIS COLLECTIVE

RUCNMEM/EU MEMBER STATES COLLECTIVE

RUCNIRA/IRAN COLLECTIVE

RUEHAK/AMEMBASSY ANKARA 5500

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RUEAIIA/CIA WASHDC

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RHEHNSC/NSC WASHDC

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C O N F I D E N T I A L ASHGABAT 000988

SIPDIS

STATE FOR SCA/CEN

E.O. 12958: DECL: 08/04/2019

TAGS: [ETRD](#) [ECON](#) [PGOV](#) [PREL](#) [TX](#)

SUBJECT: TURKMENISTAN: BOEING CONTRACT DELAY WAS ALL ABOUT MONEY

Classified By: Charge Richard Miles. Reasons: 1.4 (b) and (d)

¶11. (C) On August 3, Boeing's regional sales representatives called on the Charge and reported that the contracts for the sale of three 737 aircraft to Turkmenistan Airlines (THY) were signed earlier in the day in Ashgabat. The two representatives were clearly delighted and relieved that the formal sale had finally taken place, and thanked the Charge for post's support. They also confirmed that the delay in signing the contract, which the two sides had negotiated in April, was due to a clause in Turkmenistan's presidential decree authorizing the sale that stipulated the \$120 million sum be paid in one "lump sum." Boeing had only requested that a portion of the purchase price be paid upon signing of the contract, and with additional payments upon the delivery of each aircraft. The THY Chairman reportedly told them "point blank" that the Turkmen government simply did not have the cash available to make the payment, and that President Berdimuhamedov finally "ordered" the Central Bank to make the funds available immediately. Turkmenistan will reportedly make the payment in fifteen days, before the aircraft are scheduled for delivery in Seattle in late August.

FUZZY ACQUISITION PLAN

¶12. (C) The representatives said that Berdimuhamedov likes "anything and everything American," and that THY officials have discussed the possibility of purchasing some wide-bodied aircraft from Boeing in the future. They commented, however, that Turkmen officials seem to have no clear plan or timeline for future aircraft acquisitions, and that in discussions, the Turkmen say things akin to, "Let's see, we'll take one of these and one of these," and are impressed by various types of "new and fancy" technology that they consider "out of this world."

FM SPEAKS FLAWLESS TURKISH, TOO

¶13. (C) One of the Boeing representatives, who speaks Turkish, met with Foreign Minister Rashid Meredov during his visit to Washington in June, and noted that Meredov speaks fluent, unaccented Turkish.

PRESIDENTIAL DIET

¶4. (C) The representatives said that President Berdimuhamedov had recently paid a visit to THY offices at the Ashgabat International Airport and reportedly concluded that some of the senior managers are overweight, and ordered them to "lose weight immediately." (One reportedly had dinner with the Boeing representatives this week and, after picking at his food throughout the meal, apologized and explained that he had been told to "reduce or else.").

¶5. (C) COMMENT: From all accounts, the unexplained delay in signing the contract was due to a simple cash flow problem on the part of the Turkmen. It is unclear why the presidential decree would stipulate payment terms less favorable to Turkmenistan than those that Boeing had actually requested.

END COMMENT.

MILES